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1985/05/03

IT -- GENSER MESSAGE -- 7219 CHARACTERS TITITICI IFCM COMITAC FONOIULU HI, SSN 0 AT 03 0222 MAYES I NCCCNIPACT : .IFAC TAILY INTELLIGENCE SUMMARY 83-85 (U) THAT USFFE EASIL ON CLASSIFICATION AND NEEL TO KNOW. FEGUESTS TIT/ST/TISCICST ANY INFOFMATION CONTAINED IN TELS SUMMARY TO A ICH COMPENNENT SECULL OF FORVARDIE TO COMPLET FOR APPROVAL IN TOFEINCE FITE CURRENT NATIONAL DISCLOSURE POLICY. (U) ICERAFU WISHOUT SERVICE. INFORMATION PERISHABLE. /-/-/-/-/-/-/-/ (U) THE STOURF THIFFECKE NUMBER FOR IPAC ANALYSTS IS 6223. TSS COFFFREE INDICATED. /-/-/-/-/-/-/-/-/-/ THE SUMMARY CONTAINS HIGHT ITEMS: ・ノーノーノーノーノーノーノーノーノルノルノル 私願日 みんおこ {C/FCFCF!!}

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(C/NOTE PROPERTY) ATTROUGH THE JIANGBUS HAVE HEEN PECTUCID AT FAIRIT FIGURAR HATE (TWO PER YEAR ON THE AVERAGE) FOR THE LAST 10 THE A TVC-YEAR HIATUS IN THEIR CONSTRUCTION FOR THE PLA NAVY WAS CON-TOTICN OF THESE ALLITICNAL JIANGBU FRIGATES FOR THE PLA NAVY ITL SUSTAIN THE FLIFT AT CURRENT LEVELS IN THE NEAR TERM.

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(C) ACCCRDING TO THE CHICIAL PRO NEWS AGENCY (XINHUA), ARBIFATICN FRIATEL TO THE ACCILENT INVOLVING THE COLLISION OF A TAIVAN
FIGHTER AND A PRO FISHING POAT ON 16 APR WAS SETTIED THE MAINLAND
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FINEST FORT OF XIAMEN ON THE HAST COAST (ACROSS TAIVAN) FOR ITS
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SELITED FOR THE FAILURE BY FOTE STRESS TO FOLLOW INTERNATIONAL
SELITED FOR THE INCIDING COLLISIONS AT SEA, AND THAT FOTE SITES WERE
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THE STRESS THE REFERENTATIVES OF THE TAIWAN VESSEL NEGOTIATED THE

(W) IFAC COMMINT: TEL YINEUA ACCOUNT (PROPABLY ACCURATE) OF AMICABLE SETTLEMENT OF TRIS ACCIDENT IS NOTEWORTPY. XINEUA'S ATTIMENT THAT ICTE BILES (NOT SOLELY THE TAIWAN VESSEL) WIPE AT VIT IS NOT SUBPRISING SINCE TEAT APPROACE IS IN CONCERT WITE AND CONCERT WITE AND CONTROL OF THE CHART PROPAGATION CAMPAIGN, THE TOLY WAS CUITE CAREFUL IN REPORTING THAT REPRESENTATIVES FROM THE TAIWAN VESSEL NEGOTIATED THE SETTLEMENT—NOT THE TAIWAN GOVERN—TO TAIWAN CONTROL BAVE WELCOMED THE CHARCE FOR DIPICT OF TAIWAN CHICLAIS, FROM THE MAINLAND CEINESE PERSPECTION OF THE TAIWAN CHICLAIS, FROM THE MAINLAND CEINESE PERSPECTION.

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THE CITTIMENT OF TELS INCIDENT AT THE FEOPLE-TO-FIOFIF LEVEL WITE AS ANOTHER CONCRETE TRAMPLE OF THE MOTHERLAND'S GOOD FAITH TROTISSING ITS FEACEFUL REUNIFICATION PROTOSAL. IN RELATED THICFMINTS, TAIWAN RECENTLY ANNOUNCED IT WOULD NOT INTERFERE WITE TIETO THAIF FETWIEN MAINLAND CRINA AND ITCELF FOR THE TIME IN THE CONDONING OF SUCH TRAIL BY THE ACKNOWLEGEMENT AND THE CONDONING OF SUCH TRAIL BY THE ACKNOWLEGEMENT AND MAY INDICATE A CEPTAIN AMOUNT OF FLEXITITY IN ITS POLICY ON MAINLAND CRINA. MORE REALISTICALLY, IT CERTIF REFRIENTS A RECOGNITION OF THE REALITIES OF TAIWAN-FROM THE CONTACTS, WEIGH APT EXPECTIT TO INCREASE IN THE NEAST OF TAIWAN-FROM TOWERS. IN THE INTERFERENCE WILL NOT FOSTER REUNIFICATION UNTIPERSOR IN THE CONTACTS WILL NOT FOSTER REUNIFICATION UNTIPERSOR IN THE FILLING OF TAIPII.

1-1-1-1-1-1-1-1-1 (U/EFFN) CHIKA/TAIWAK/U.S.: TALE CONTROVERSY UPLATE. (d): SPORT | RECINT REFORTING INDICATES THE ARRUAL MIETING OF IN TITEICPMENT FANK (AIE) ENTIL' WITEOUT RESCUTION OF THE FOR ICE OF CHINA'S MEMBERSEIP IN THE CEGANIZATION. THE PRIMARY. COFCIF CINTIFS ON TAIVAN'S NOMENCLATURE RELATIVE TO THE INTRY TTE AIT OF THE INCHIE'S REFURITO OF CRIMA. FRIJING CONTINUES INCICE TYPE TAIVAN, AN CRIGINAL MEMBER OF THE FANK, CHANGE ITS ACCORTING TO THE CHINESE AMEASTATOR TO GNATION WOULD BE CONSISTENT WITH EVERY-"! IMAN, CYINAL" r spilippings, this resignation would be T'S C'E-CEINA POLICY, AND WAS DECIDED AT THE BIGGEST LEVEL OF TEX THIST CONTEMPERS. FIVIENTELISS, MAIPFL HAS AFJECTED MEIS LESIG-CH ANT, IMPTEAT, INTICATED ITS VILLINGNISS TO CONSILER USING PA (TAITE) OR "CFINA (TAIVAN)" AS ITS NOMENCLATURE, ERCVIDED FIVEN COULT CONTINUE TO USE THE DESIGNATION PREPUBLIC OF THE ATTRISSING ITS COMMUNICATIONS WITH THE ADE.

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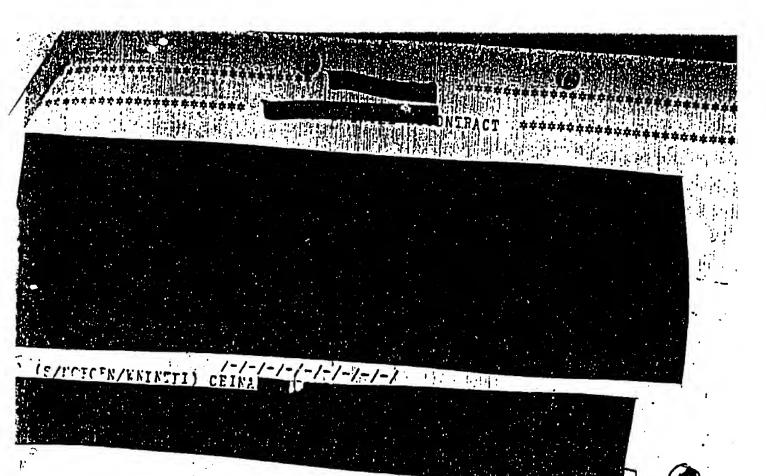
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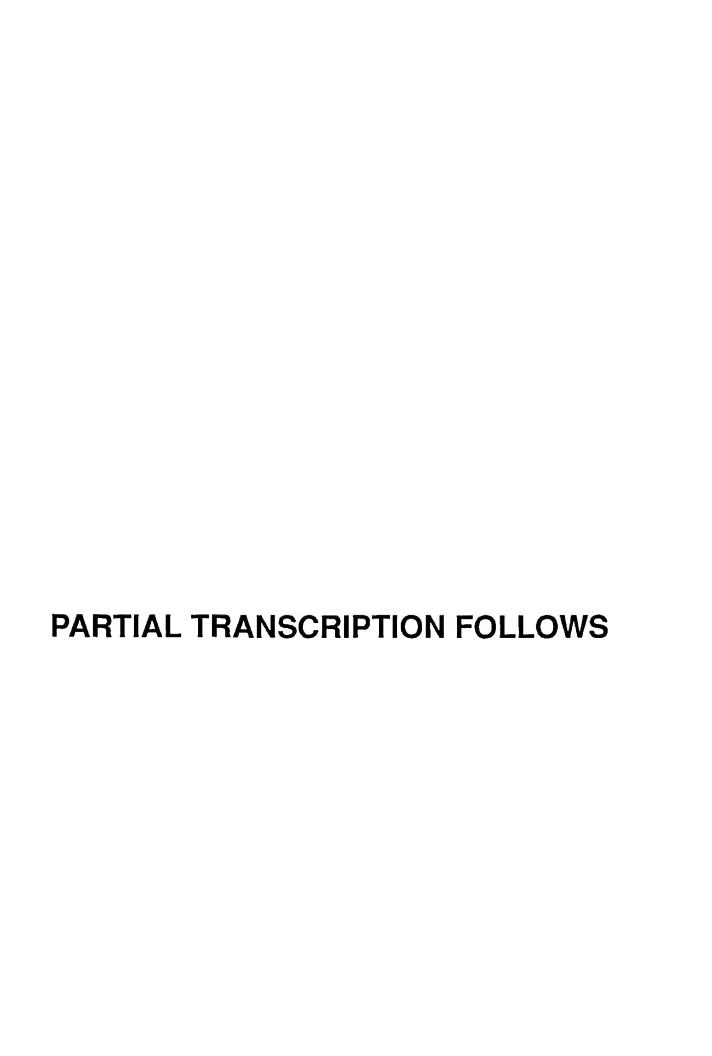
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SECTION 02 OF 03

[PARAGRAPH EXCISED]

ALTHOUGH THE JIANGHUS HAVE BEEN PRODUCED AT A FAIRLY REGULAR RATE (TWO PER YEAR ON THE AVERAGE FOR THE LAST 10 YEARS, A TWO-YEAR HIATUS IN THEIR CONSTRUCTION FOR THE PLA NAVY WAS [ILLEGIBLE] AS UNITS 17 AND 18 WERE BUILT FOR THE EGYPTIAN NAVY. CONSTRUCTION OF THESE ADDITIONAL JIANGHU FRIGATES FOR THE PLA NAVY WILL SUSTAIN THE FLEET AT CURRENT LEVELS IN THE NEAR TERM. [LINE EXCISED]

PRC/TAIWAN: SHIP COLLISION INCIDENT SETTLED.

ACCORDING TO THE OFFICIAL PRC NEWS AGENCY (XINHUA), ARBITRATION RELATED TO THE ACCIDENT INVOLVING THE COLLISION OF A TAIWAN FREIGHTER AND A PRC FISHING BOAT ON 18 APR WAS SETTLED THROUGH FRIENDLY CONSULTATIONS. THE TAIWAN VESSEL DEPARTED THE MAINLAND CHINESE PORT OF XIAMEN ON THE EAST COAST (ACROSS TAIWAN) FOR ITS HOMEPORT ON 01 MAY. THE XINHUA RELEASE STATED THAT THE ACCIDENT RESULTED FROM THE FAILURE BY BOTH SITES TO FOLLOW INTERNATIONAL REGULATIONS ON AVOIDING COLLISIONS AT SEA, AND THAT BOTH SIDES WERE RESPONSIBLE FOR THE INCIDENT. A COMPENSATION AGREEMENT WAS SIGNED BY BOTH SIDES. REPRESENTATIVES OF THE TAIWAN VESSEL NEGOTIATED THE SETTLEMENT.

IPAC COMMENT: THE XINHUA ACCOUNT (PROBABLY ACCURATE) OF THE AMICABLE SETTLEMENT OF THIS ACCIDENT IS NOTEWORTHY. XINHUA'S STATEMENT THAT BOTH SIDES (NOT SOLELY THE TAIWAN VESSEL) WERE AT FAULT IS NOT SURPRISING SINCE THAT APPROACH IS IN CONCERT WITH AND PROJECTS BEIJING'S ONGOING PEACEFUL REUNIFICATION CAMPAIGN. THE [ILLEGIBLE] WAS QUITE CAREFUL IN REPORTING THAT REPRESENTATIVES FROM THE TAIWAN VESSEL NEGOTIATED THE SETTLMENT--NOT THE TAIWAN GOVERNMENT. ALTHOUGH BEIJING WOULD HAVE WELCOMED THE CHANCE FOR DIRECT CONTACT WITH TAIWAN OFFICIALS, FROM THE MAINLAND CHINESE PERSPEC-

TIVE, THE SETTLEMENT OF THIS INCIDENT AT THE PEOPLE-TO-PEOPLE LEVEL SERVES AS ANOTHER CONCRETE EXAMPLE OF THE MOTHERLAND'S "GOOD FAITH" IN PROFESSING ITS PEACEFUL REUNIFICATION PROPOSAL. IN RELATED DEVELOPMENTS, TAIWAN RECENTLY ANNOUNCED IT WOULD NOT INTERFERE WITH DIRECT TRADE BETWEEN MAINLAND CHINA AND ITSELF FOR THE TIME BEING. THIS ACKNOWLEDGEMENT AND THE CONDONING OF SUCH TRADE BY TAIPEI IS REMARKABLE, AND MAY INDICATE A CERTAIN AMOUNT OF FLEXIBILITY IN ITS POLICY ON MAINLAND CHINA. MORE REALISTICALLY, IT [ILLEGIBLE] REPRESENTS A RECOGNITION OF THE REALITIES OF TAIWAN-PRC UNOFFICIAL CONTACTS, WHICH ARE EXPECTED TO INCREASE IN THE NEAR [ILLEGIBLE]. HOWEVER, IN THE FORESEEABLE FUTURE, THIS ANTICIPATED INCREASE IN UNOFFICIAL CONTACTS WILL NOT FOSTER REUNIFICATION UNDER THE CONDITIONS OF EITHER BEIJING OR TAIPEI. [LINE EXCISED]

CHINA/TAIWAN/U.S.: ADB CONTROVERSY UPDATE.

RECENT REPORTING INDICATES THE ANNUAL MEETING OF THE ASIAN DEVELOPMENT BANK (ADB) ENDED WITHOUT RESOLUTION OF THE QUESTION OF CHINA'S MEMBERSHIP IN THE ORGANIZATION. THE PRIMARY OBSTACLE CENTERS ON TAIWAN'S NOMENCLATURE RELATIVE TO THE ENTRY TO THE ADB OF THE PEOPLE'S REPUBLIC OF CHINA. BEIJING CONTINUES TO INSIST THAT TAIWAN, AN ORIGINAL MEMBER OF THE BANK, CHANGE ITS [ILLEGIBLE] TO "TAIWAN, CHINA." ACCORDING TO THE CHINESE AMBASSADOR TO THE PHILIPPINES, THIS DESIGNATION WOULD BE "CONSISTENT WITH EVERY-[ILLEGIBLE] ONE-CHINA POLICY, AND WAS DECIDED AT THE HIGHEST LEVEL OF THE CHINESE GOVERNMENT." NEVERTHELESS, TAIPEI HAS REJECTED THIS DESIGNATION AND, INSTEAD, INDICATED ITS WILLINGNESS TO CONSIDER USING CHINA (TAIPEI) OR "CHINA (TAIWAN)" AS ITS NOMENCLATURE, PROVIDED THAT TAIWAN COULD CONTINUE TO USE THE DESIGNATION "REPUBLIC OF CHINA" IN ADDRESSING ITS COMMUNICATIONS WITH THE ADB.

IN AN ATTEMPT TO FACILITATE THE PRC'S ENTRY INTO THE BANK (PRIOR TO THE CONVENING OF THE ADB'S ANNUAL MEETING), ADB [ILLEGIBLE] PRESENTED BEIJING WITH A DRAFT MEMORANDUM OF UNDERSTANDING (MOU). THE MOU, WHICH WAS PREPARED WITH INPUT FROM [ILLEGIBLE] MEMBERSHIP (INCLUDING THE U.S.), RECOGNIZES THE PRC AS THE [ILLEGIBLE] GOVERNMENT OF CHINA AND PROVIDES ASSURANCES OF TAIWAN'S [ILLEGIBLE] MEMBERSHIP AND PARTICIPATION IN THE ADB. IF BEIJING AGREES TO SIGN THE MOU, IT WOULD HELP SATISFY CONCERNS OF THE U.S. CONGRESS [ILLEGIBLE] TAIWAN'S STATUS WITHIN THE BANK. ADDITIONALLY, WASHINGTON WOULD THEN BE WILLING TO USE ITS INFLUENCE TO HELP RESOLVE RESOLUTION OF THE NOMENCLATURE ISSUE. HOWEVER, TO DATE CHINA HAS NOT SIGNED THE MOU, BUT CONTINUES TO PRESSURE WASHINGTON TO EXERT ITS INFLUENCE WITH TAIWAN.

IN VIEW OF THE FACT THAT CHINA PERCEIVES THE U.S. AS
THE "KEY" TO THE SUCESSFUL (CHINESE PERCEPTION) SETTLEMENT OF THE
[ILLEGIBLE] CONTROVERSY, THIS ISSUE REPRESENTS ANOTHER CONTENTIOUS ISSUE
IN CHINA-U.S. RELATIONS. THE PRC RECOGNIZES THAT THE ISSUE OF TAIWAN'S
[ILLEGIBLE] MEMBERSHIP IN THE ADB MUST BE RESOLVED TO ITS SATISFACTION

THEREBY ELIMINATING ANY	SUGGESTION OF BEIJING'S ACCEPTANCE OF A
"TWO-CHINA" POLICY.	
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[REMAINDER OF TEXT ON PAGE EXCISED]